

**AUTHORITY FOR ADVANCE RULING, TAMILNADU**  
**INTEGRATED COMMERCIAL TAXES OFFICE COMPLEX, DOOR NO.32,**  
**5<sup>TH</sup> FLOOR, ROOM NO. 503, ELEPHANT GATE BRIDGE ROAD,**  
**CHENNAI – 600 003.**  
**PROCEEDINGS OF THE AUTHORITY FOR ADVANCE RULING U/s.98 OF THE**  
**GOODS AND SERVICES TAX ACT, 2017.**

**Members present are:**

1. Shri T.G.Venkatesh, I.R.S., Additional Commissioner/Member,  
Office of the Principal Chief Commissioner of GST & Central Excise, Chennai -34

2. Tmt K.Latha., M.Sc., (Agri), Joint Commissioner (ST)/ Member,  
Office of the Authority for Advance Ruling, Tamil Nadu, Chennai-3.

**ORDER No.10/AAR/2022 DATED: 22.03.2022**

GSTIN Number, if any / User id		33ABIAS3460L1Z8
Legal Name of Applicant		SOM VCL(JV)
Registered Address/Address provided while obtaining user id		11/F Second Floor, Main Road, Sri Renga Narayana Puram, Tirunelveli-627120
Details of Application		GST ARA- 01 Application Sl.No. 19/2021/ARA dated: 24.06.2021
Concerned Officer		Centre: Madurai Commissionerate. State: Tirunelveli Assessment circle
Nature of activity(s) (proposed / present) in respect of which advance ruling sought		
A	Category	Works Contract
B	Description (in Brief)	The applicant is engaged in execution of civil engineering and other general construction contracts for various Government departments and organizations.
Issue/s on which advance ruling required		1. Applicability of notification issued under the provisions of the act.

Question(s) on which advance ruling is required	<p>1. Whether the execution of works contract service at Kudankulam Nuclear Power Project would be covered under S.No vi (or) vii of Notification No.24/2017 dated 21.09.2017 attracting GST@12% or 18%</p> <p>2. The assessee had already charged GST @12% on its invoices for the works contract service provided. In case the rate of GST is determined to be 18% instead of 12% should we pay the differential tax through debit note under GSTR 1?</p>
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**Note: Any appeal against the Advance Ruling order shall be filed before the Tamil Nadu State Appellate Authority for Advance Ruling, Chennai under Sub-section (1) of Section 100 of CGST ACT/TNGST Act 2017 within 30 days from the date on which the ruling sought to be appealed against is communicated.**

**At the outset, we would like to make it clear that the provisions of both the Central Goods and Service Tax Act and the Tamil Nadu Goods and Service Tax Act are the same except for certain provisions. Therefore, unless a mention is specifically made to such dissimilar provisions, a reference to the Central Goods and Service Tax Act would also mean a reference to the same provisions under the Tamil Nadu Goods and Service Tax Act.**

SOM VCL(JV), 11/F Second Floor, Main Road, Sri Renga Narayana Puram, Tirunelvali-627120 (hereinafter called the Applicant) are registered under GST with GSTIN 33ABIAS3460L1Z8. The applicant has sought Advance Ruling on the following questions:

1. Whether the execution of works contract service at Kudankulam Nuclear Power Project would be covered under S.No vi (or) vii of Notification No.24/2017 dated 21.09.2017 attracting GST@12% or 18%
2. The assessee had already charged GST @12% on its invoices for the works contract service provided. In case the rate of GST is determined to be 18% instead of 12% should we pay the differential tax through debit note under GSTR 1?

The Applicant has submitted the copy of application in Form GST ARA - 01 and also submitted a copy of Challan evidencing payment of application fees of Rs.5,000/- each under sub-rule (1) of Rule 104 of CGST rules 2017 and SGST Rules 2017.

2.1 The applicant has stated that they are engaged in execution of civil engineering and other general construction contracts for various Government departments and organizations. The parties SOM Projects private limited and M/s Varindera Constructions Limited have entered in to joint venture under the name "SOM VCL(JV) " solely for carrying out the works contract service for Kudankulam Nuclear Power project, a unit of Nuclear Power Corporation of India Ltd (NPCIL) at their site "Anuvijay Township, Kudankulam, Radhapuram Taluk, Tirunelveli, Tamilnadu. The applicant has stated that they have been awarded a project by NPCIL, a Government entity for carrying construction of 360 nos (D-type 240Nos, D-special 80 Nos and E-type 40 Nos) residential quarters (9 blocks of G+10 floors) for residential usage of their employees at Anuvijay Township.

2.2 On interpretation of law, the applicant has referred to Notification 24/2017 CT(rate) dated 21.09.2017 and the subsequent amendments made to Sl.No.3 against entry (vi). The applicant has referred to the definition of Composite Supply and works contract under section 2(3) and 2(119) of the CGST Act, 2017 and stated that they have executed works contract service, wherein there will be combined supply of goods and services in construction of 360 nos of residential quarters at Kudankulam Nuclear Power Project at Anuvijay Township for the residential use of employees of NPCIL.

2.3 The applicant has also referred to Notification 31/2017CT(Rate) dated 13.10.2017, wherein under Paragraph 4, clause ix and x has been inserted to define Government Authority and Government Entity which is extracted below:

- "(ix) "Governmental Authority" means an authority or a board or any other body, -
- (i) set up by an Act of Parliament or a State Legislature; or
  - (ii) established by any Government, with 90per cent. or more participation by way of equity or control, to carry out any function entrusted to a Municipality under article 243 W of the Constitution or to a Panchayat under article 243 G of the Constitution.

(x) "Government Entity" means an authority or a board or any other body including a society, trust, corporation,

i) set up by an Act of Parliament or State Legislature; or

ii) established by any Government, with 90per cent. or more participation by way of equity or control, to carry out a function entrusted by the Central Government, State Government, Union Territory or a local authority."

The applicant has stated that they are carrying out the construction activity of residential quarters and are mainly engaged in execution of civil engineering and general contracts for various Government departments and organizations. Further, they have stated that NPCIL whose 100% shareholding is held by Parliament of India has awarded the works contract service to the applicant for construction of residential complex only and there is no commercial activity involved which has been confirmed by NPCIL vide their letter dated 22.01.2021. They have also stated that as per column v to item vii of the Notification 31/2017 CT(rate) when the services are supplied to a Government Entity , they should have been procured by the said entity in relation to work entrusted to it by the Central Government, State Government, Union territory or local authority. The applicant has stated that in their case the project has been awarded by the Government entity "NPCIL" and there is no intermediary involved in the whole scheme of transactions. The works contract service as per the work order has been procured wholly for the construction of residential quarters of Anuvijay township in Kudankulam Tirunelveli. In the light of above facts, the applicant is of the view that their services of construction of residential quarters to NPCIL will attract GST at 12%.

3.1 Due to the prevailing PANDEMIC situation and in order not to delay the proceedings, the applicant was addressed through the Email Address mentioned in the application to seek their willingness to participate in a virtual Personal Hearing in Digital media. The applicant consented and the hearing was held on 05.10.2021. The Authorised Representative Shri Jugal Dughar, Chartered Accountant appeared for the hearing and reiterated the submissions. He stressed on the applicability of Notification 24/2017 CT(rate). He stated that they have been directly allocated the work order by the Government undertaking and they have filed returns. They were asked to furnish the Joint Venture Agreement; work order from Kudankulam Nuclear Power Project; bills raised; copy of returns filed.

3.2 The applicant vide their letter dated 06.10.2021 (received on 21.10.2021) submitted the following documents:

- JV agreement between SOM and VCL
- Work order copy of receipt of order from the customer to SOM VCL(JV)
- Invoice No.RA Bill:10 dated 09.06.2021, GSTR 3B June 2021, GSTR1 June 2021
- Invoice No.RA Bill:11 dated 07.07.2021, GSTR 3B July 2021, GSTR1 July 2021
- Invoice No.RA Bill:12 dated 23.08.2021, GSTR 3B August 2021, GSTR1 August 2021

3.3 They were issued with a letter dated 01.11.2021 requiring to provide clarifications for the below queries:

- i. Whether the service recipient is a Government entity or a Government authority
- ii. In case they are a Government entity, how do they satisfy the condition prescribed under Sl.No.(vi) or (vii) of Notification 24/2017
- iii. Documentary proof for the constitution of the service recipient being a Government Entity/authority

In respect of Q.No.2, the applicant was informed that the question is seeking clarification on the procedural aspect of the law, hence it is found that the question is not covered under Section 97(2) of the GST Act, 2017 and does not merit admission. The applicant was asked to clarify as to how the question merits consideration under the Section 97(2) of the act.

3.4 The applicant vide their letter dated 08.11.2021(received on 22.11.2021) submitted the following facts:

- In terms of definition of Government Authority & Government Entity in Notification 31/2017 CT (rate), the applicant believes that their recipient NPCIL – A Government of India Enterprise shall qualify as a Government entity based on below facts:
  - i. As part of the annual report of NPCIL it has been stated in its significant accounting policies that the 100% shareholding of the company is held by the “President of India” on behalf of the Government of India.

- ii. In the table relating to “shareholding pattern of top 10 shareholders” the tabulation clearly states and indicates the Hon’ble President of India to hold 100% of the shareholding of the company with 12,69,36,627 shares being held as at year ending 31.03.2020.
- iii. In the annual return form, Form No. MGT-7 filed by NPCIL, copy of which is available in its website has stated and declared itself to be a “Union Government Company”
- In terms of Notification 24/2017 amended by Notification 46/2017 CT(rate), Clause c covers “construction of residential quarters for usage by the employees” As they have received the work order directly from NPCIL, the same is applicable to their service. Hence, they are eligible to adopt the tax rate as stated in Sl.No.(vi) of the said notification attracting GST at 12%.
  - In respect of the clarification pertaining to Q.No.2, they have stated that Section 97(2) of the Act, prescribes certain cases in which advance ruling application can be filed. They have applied for advance ruling to determine the tax rate applicability to their transaction, which is an allowable stand for Advance Ruling under sub-section 97(2)(e). They have also stated that they have sought ruling on the mechanism of tax payment if the tax is determined at a rate higher than that at which tax has been already paid. Hence, they are of the opinion that question sought relating to mechanism of tax payment is ancillary and directly related to the determination of tax liability.
  - They have also submitted the NPCIL extract of text of significant policies, shareholding pattern of top 10 shareholders, extract of MGT 7 for FY 2019-20

4.1 The Centre Jurisdictional authority who has administrative control over the applicant has stated that there are no pending proceedings on the issue raised by the applicant in the Advance Ruling application and has furnished the following comments.

- It appears that the service rendered by the applicant is a composite supply of works contract and it is provided to Government entity. The condition to be satisfied when supply is provided to Government entity is that it should have been procured by the said entity in relation to a work entrusted to it by the Central Government, State Government, Union Territory or local authority as the case may be. The word in relation to is an inclusive description. In the instant case NPCIL is essentially work entrusted to them by the Central

Government and the construction of quarters for their employees is "in relation to" the work done by them.

- In a similar issue, The Kerala Advance Ruling Authority in the case of M/s Ray Constructions Ltd, Ernakulam has ruled that the services provided by the applicant to Vikram Sarabhai Space Centre and Trivandrum Medical College will attract GST at 12% as per Sl.No.3 (vi) (a) of Notification 11/2017 CT(Rate) dated 28.06.2017. Hence, in the instant case the applicant is eligible for classifying their supply at 12% GST as per the provisions of the notification.

4.2 On perusal of the submissions of the jurisdictional authority, it was observed that they have stated that the conditions specified at Sl.no.3(vi) of the Notification no.11/2017-CT(Rate) dt. 28.06.2017 stands satisfied. Hence the following particulars were required to be furnished by the jurisdictional authority vide letter of this office dt.15.12.2021.

(i) A letter/statement from M/s. KKNPP regarding the financial approval for the planned township and details of such approval by the Central Government for establishing the township namely Anuvijay Township in reference to the letter No. NPCIL/KKNPP/C&EMG/2021/S/148 dt. 22.01.2021 of M/s. NPCIL.

(ii) Copy of the plan of township with reference to the project- KKNPP and the residential quarters being constructed by the applicant.

4.3 In response reply from the Office of the Joint Commissioner of GST, Tirunelveli vide letter dt.28.02.2022 was received wherein the following particulars were furnished:

- The tax payer i.e., M/s. SOM(VCL) JV stated that the requisite documents were not available with them and has to be obtained from NPCIL.
- The jurisdictional Range Office had addressed letter to the Chief Engineer, NPCIL, Koodankulam on 23.12.21. As no response was received, the Additional Chief Engineer was addressed vide letter dt.29.12.21 by the RO. Further both these officers were contacted over telephone too.
- As no reply was forthcoming, a letter dt.06.01.22 was addressed to the Additional chief Engineer and also reminder was sent to the Chief Engineer. Further reminders were also sent on 17.01.22 and 01.02.22.

The Chief Engineer, vide mail dt.02.02.22 certified as follows:-

“This is to certify that Anuvijay Township is within the premises of M/s.NPCIL,KKNPP and this township is used exclusively for the purpose of M/s.NPCIL.”

- Further the RO addressed a letter to the AGM(HR) vide letter dt.02.02.22, requesting to provide the required documents. AGM expressed their inability to provide the same. They stated that the documents will be available with the Chief Engineer and so another mail was sent to the chief engineer which proved futile.
- PS of the site director was contacted over phone besides other officers as above. No positive action has resulted so far from the numerous telephone calls/e-mails/letters etc.

5. The State Jurisdictional authority has stated that there are no pending proceedings in the applicant's case.

6.1 We have carefully examined the statement of facts, supporting documents filed by the Applicant, all the additional submissions made during the hearing and thereafter and the submissions of the Jurisdictional authorities. The applicant is a Joint Venture between M/s. SOM Projects Private Ltd and M/s. Varindera Constructions Limited solely for carrying out the works contract service for Kudankulam Nuclear Power Project (KKNPP), a unit of Nuclear Power Corporation of India Ltd (NPCIL) at their site, namely Anuvijay Township, Kudankulam, Radhapuram Taluk, Tirunelveli, Tamilnadu. The applicant has sought ruling on the following:-

1. Whether the execution of works contract service at Kudankulam Nuclear Power Project would be covered under S.No vi (or) vii of Notification No.24/2017 dated 21.09.2017 attracting GST@12% or 18%
2. The assessee had already charged GST @12% on its invoices for the works contract service provided. In case the rate of GST is determined to be 18% instead of 12% should we pay the differential tax through debit note under GSTR 1?

The question No.1 above is raised by the person making the supply on the applicability of notification which is covered under the ambit of this



authority under Section 97 (2) of the CGST Act, 2017 and hence Q.No.1 is admitted.

6.2 The second question seeking ruling is that the applicant had already charged GST @12% on its invoices for the works contract service provided, and in case the rate of GST is determined to be 18% instead of 12%, should the differential tax be paid through debit note under GSTR 1. As the question was found to be seeking clarification on procedural aspect of the law, the applicant was addressed vide a notice dt. 01.11.2021 seeking their justification for admission of the said question for Advance ruling as questions on procedural nature does not fall into the ambit of Section97(2) of the CGST Act,2017. In response to the notice, applicant has vide their letter dt.08.11.21 submitted that the question is on the mechanism of tax payment, if the tax is determined at a rate higher than that at which tax has already been paid and that in their opinion, the question sought relating to mechanism of tax payment is ancillary and directly related to the determination of tax liability. It is observed that the question for ruling is on how to pay the differential duty if the tax to be paid is determined at 18% as they have already charged 12% GST, i.e., the question is on the modality of paying the differential duty and hence this cannot be construed as relating to determination of tax liability. Hence this question, being purely procedural, is not under the purview of Section97(2) and hence it need not be answered by this forum.

7.1 The first question seeking ruling is whether the execution of works contract service at KKNPP would be covered under S.No. vi (or) vii of Notification no.24/2017 attracting GST @12% or 18%. It is seen that the Sl.No.vii was the residual entry of Sl.No.3 in Notification no.24/2017 which was further amended. As on date the said residual entry is Sl.No.xii – Construction services other than (i), (ii), (iii), (iv), (v), (vi), (vii), (viii),(ix), (x)and (xi) above, wherein the rate of GST is 18%. The applicability of rate at Sl.No.vi is examined herewith.

7.2 From the submissions made by the applicant, it is observed that they have been awarded the project of constructing 360 nos of (D-type Nos., D-special-80 Nos and E-type-40 nos) residential quarters (9 blocks of G+10 floors) for residential usage of their employees at Anuvijay Township, Kudankulam. It has been stated by the applicant that this work order has been received directly from M/s. Nuclear Power Corporation of India Ltd, which is a Government entity and there is no

intermediary involved in the whole scheme of transactions. Hence they have contended that the Works contract service rendered by them in the construction of 360 nos of residential quarters for the employees of KKNPP in relation to the contract awarded by NPCIL is covered under Sl.No.vi of Notification no.11/2017-CT Rate (as amended) cited supra attracting GST at 12%.

7.2 To examine this contention, the relevant part of notification is reproduced as below:

Sl. No.	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)
3	Heading 9954 (Construction services)	<p>(vi) Composite supply of works contract as defined in clause (119) of section 2 of the Central Goods and Services Tax Act, 2017, provided] 12 to the Central Government, State Government, Union Territory, a local authority, a Governmental Authority or a Government Entity by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of -</p> <p>(a) a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession;</p> <p>(b) a structure meant predominantly for use as (i) an educational, (ii) a clinical, or(iii) an art or cultural establishment; or</p> <p>(c) a residential complex predominantly meant for self-use or the use of their employees or other persons</p>	6	Provided that where the services are supplied to a Government Entity, they should have been procured by the said entity in relation to a work entrusted to it by the Central Government, State Government, Union territory or local authority, as the case may be

		specified in paragraph 3 of the Schedule III of the Central Goods and Services Tax Act, 2017.		
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It is observed from the above entry that the following conditions are required to be satisfied for availing concessional rate of 6% in terms of S1.No. 3(vi) of said Notification:

a) Supply must be

- i. works contract as defined in clause 119 of Section 2 CGST Act, 2017 rendered by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of a civil structure or any other original works meant predominantly for use other than for commerce, industry, or any other business or profession;
- ii. provided to the Central Government or State Government or Union Territory, a local authority, a Governmental authority or a Government entity.
- iii. procured by the said Government entity in relation to a work entrusted to it by the Central Government, State Government, Union territory or local authority, as the case may be.

7.3 In the instant case, the contract is a works contract service comprising of various activities namely Pre-construction work like earth work excavation, anti-termite treatment; Construction works, fixing of windows and doors, providing modular wardrobes and show case, providing fixtures for the bathrooms, providing Public address system and signages etc, thus, the condition at (i) above is satisfied.

7.4 The second condition, i.e., supply of such service should be provided to the central government or state government or union territory, a local authority or a Government entity is examined. The applicant has stated that they believe that their customer/recipient, M/s. Nuclear Power Corporation India Ltd- A Government of India Enterprise is a Government entity based on the following facts:

- i. As part of the annual report of NPCIL it has been stated in its significant accounting policies that the 100% shareholding of the company is held by the "President of India" on behalf of the Government of India.

ii. In the table relating to “shareholding pattern of top 10 shareholders” the tabulation clearly states and indicates the Hon’ble President of India to hold 100% of the shareholding of the company with 12,69,36,627 shares being held as at year ending 31.03.2020.

iii. In the annual return form, Form No. MGT-7 filed by NPCIL, copy of which is available in its website has stated and declared itself to be a “Union Government Company”

‘Government Entity is defined vide Notification No. 31/2017-Central Tax (Rate) dated 13.10.2017 as under:

“Government Entity” means an authority or a board or any other body including a society, trust, corporation,

- i) set up by an Act of Parliament or State Legislature; or
- ii) established by any Government,

with 90 per cent. or more participation by way of equity or control, to carry out a function entrusted by the Central Government, State Government, Union Territory or a local authority.

It is seen from the submissions that Nuclear Power Corporation India Limited (NPCIL), is a Public Sector Enterprise under the Department of Atomic Energy (DAE), Government of India, incorporated on September 17, 1987 as a Public Limited Company under the Companies Act 1956 with the objective of operating the atomic power stations and implementing the atomic power projects for the generation of electricity, in pursuance of the schemes and programs of Government of India under the Atomic Energy Act and the entire shares are held by the Central Government. Thus, NPCIL is a PSE established under Department of Atomic Energy, (Central Government Department) with 100 percent equity held by the Central Government to implement atomic projects for the generation of Electricity as entrusted by the Central Government and therefore is a ‘Government Entity’

7.5 Now that it is established that the service recipient is a Government entity, the condition in clause ‘c’ of Sl. No. vi, which stipulates that the supplies should be procured by the said Government entity in relation to a work entrusted to it by the Central Government, State Government, Union territory or local authority, as the case may be is taken up for consideration. In the instant case, the work of construction of residential quarters has been awarded to the applicant by NPCIL. The entity procuring such work is KKNPP and the work of construction of the Residential Quarters for the

employees of KKNPP is not a work 'in relation to the work entrusted to KKNPP' as envisaged in 'clause c' of the entry 3 (vi) of the Notification No. 11/2017-C.T.(Rate) mentioned above, as the work – of construction of residential quarters is a welfare measure done by KKNPP for their employees. This cannot be construed to be 'in relation with the work' entrusted to NPCIL by the Central Government, in the absence of any document evidencing the same, in as much as the work entrusted to NPCIL is to 'implement atomic power projects for the Generation of Electricity'. Thus the Works contract service rendered by the applicant in construction of residential quarters fails to satisfy the condition stipulated in Sl.Nos vi of Notification no.11/17 cited supra. Thus it is clear that the service rendered by the applicant is not covered by the said Sl.no. vi of the Notification cited supra and shall attract GST at 18%.

8. The central jurisdictional officers were instructed to obtain the letter/statement from M/s. KKNPP regarding the financial approval for the planned township and details of such approval by the Central Government for establishing the township i.e., Anuvijay Township in reference to the letter No. NPCIL/KKNPP/C&EMG/2021/S/148 dt. 22.01.2021 of M/s. NPCIL and a copy of the plan of the township with reference to the project-KKNPP and residential quarters being constructed by the applicant. The Joint Commissioner, Tirunelveli sub commissionerate vide their letter dt. 28.02.2022 has reported that the Range officer, Nagercoil Range addressed the KKNPP and its various officers vide a row of letters, mails and phone calls as detailed in para 4.2 above.; that the only detail furnished by KKNPP was that the township i.e., Anuvijay Township is within the premises of KKNPP and this township is used exclusively for the purpose of NPCI; that other than this, no details or documents were provided by KKNPP and the officers addressed have not responded to the row of mails/letters. NPCIL, being a government entity is eligible for the concessional rate as per the Notification subject to the condition at col.(5) of the Table above i.e., the supplies should be procured by the said Government entity in relation to a work entrusted to it by the Central Government, State Government, Union territory or local authority, as the case may be. The applicant has not furnished any details satisfying the said condition. The advance ruling authority is not an adjudicating authority. The rulings given by the advance ruling authority has a binding influence on tax authorities and has revenue consequences. The authority cannot therefore proceed on assumptions and presumptions. This authority under the powers vested with it undertook to ascertain whether the said condition stands satisfied, but the jurisdictional authority has expressed non-cooperation on the part of the applicant and M/s.KKNPP. Hence in the absence of substantiation with

regard to the fulfillment of the condition that the services are procured by M/s.KKNPP in relation to the work entrusted to them by the Central government, the concessional rate provided is not available to the applicant and the applicable rate is governed by the residual entry of Sl.no.3 of Notification no.11/2017-CT(Rate) dt. 28.06.2017 as amended which is 18%GST.

9 Further, we find that the applicant has relied on the decisions of the AAR, Kerala in the case of M/s. Ray Constructions. Advance Ruling is applicable only to the applicant, the Jurisdictional Officer and the Concerned Officer as per Section 103 of the GST Act. However, it is seen that the issue raised in the cited case relates to the construction of building for Space Transportation System Complex at Vikram Sarabhai Space Centre, Thumba and for construction of Trivandrum Medical college under a contract awarded by the Department of Health and family welfare of Government of Kerala wherein the works entrusted for construction of Space Transport system and Trivandrum Medical college is in relation to the work assigned to the said entities. No doubt, the facts are similar. However, in the instant case, evidence as to whether the construction of residential complex is in relation to the work entrusted to NPCIL by the Central Government is not forthcoming.

10 We further find that the entry at Sl.No. 3 (vi) of the Notification No. 11/2017-C.T.(Rate), the applicability of which is before us is amended as per Notification No. 15/2021-C.T.(Rate) dated 18.11.2021 and with effect from 01.01.2022, the entry covers only the construction of Works contract service provided to Central Government, State Government, Union territory or Local authority and the 'Governmental Authority or Governmental Entity' is removed from the said description of Service. Therefore, with effect from 01.01.2022, the applicable rate of GST in respect of Works Contract of Construction services provided to Government entity even, if such service is 'in relation' to the work entrusted to such 'Government entity' is not governed by the entries at Sl.No. 3(vi) of the Notification No. 11/2017-C.T.(Rate) dated 28.06.2017 as amended.

11. To sum up, the services rendered by the applicant, i.e., construction of residential quarters for the employees of KKNPP under the contract awarded by NPCIL is not a service procured by NPCIL, the Government entity in relation to a work entrusted to it by the Central Government and hence rate prescribed in entry at Sl.No. 3(vi) cited supra is not applicable to the applicant and the question on modality of


payment of differential tax to be paid is not answered as it is questioning the procedural aspect of law, which is not within the purview of Section 97(2).

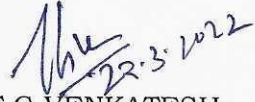
12. In view of the above, we rule as under:

#### RULING

1. The execution of works contract service for construction of residential quarters to the employees of Kudankulam Nuclear Power Project is not covered under Sl. No. 3(vi) of Notification 11/2017-CT-Rate dt. 28.06.2017 for the reasons stated in Para 7 above. The applicable rate is @18% GST as per Sl. No 3(xii) of Notification 11/2017-CT-Rate dt. 28.06.2017(as amended) read with the corresponding TNGST Notification.

2. The question on how the differential tax is to be paid is found to be on the procedural aspects of payment and is out of the purview of Section 97(2) and hence is not answered.

  
Smt. K.LATHA  
Member (SGST)

  
Shri T.G. VENKATESH  
(Member CGST)



To,  
SOM VCL (JV),  
11/F Second Floor, Main Road,  
Sri Renga Narayana Puram,  
Tirunelveli-627120 **// BY SPEED POST WITH ACK.DUE //**

Copy Submitted to:

1. The Principal Chief Commissioner of GST & Central Excise,  
26/1, Mahatma Gandhi Road, Nungambakkam, Chennai-600034.
2. The Additional Chief Secretary/Commissioner of Commercial Taxes/Member,  
IIndFloor, Ezhilagam, Chepauk, Chennai - 600 005.

Copy to:

3. The Commissioner of GST & Central Excise Madurai Commissionerate,  
Central Avenue Building, 4, Lal Bahadur Shastri, Bibikulam,  
Madurai- 625 002.
4. The State Tax Officer, Tirunelveli (Town) Assessment circle, Tirunelveli  
Commercial Taxes Building, Reserve Line Road, Palayamkottai,  
Tirunelveli- 627 002.
5. Master File/ Spare – 2.

